



INDIA-EU TALENT MOBILITY: AUTOMOTIVE SECTOR

INTRODUCTION

Sector Overview: According to the India Brand Equity Foundation, India was the **fourth largest** in the world in 2017 in sales and the **7th largest manufacturer of commercial vehicles** in 2018. For better growth and international exposure, the Government of India **encourages foreign investment, allowing 100% Foreign Direct Investment (FDI)** in the sector¹.

In 2017, EU was the **second largest** producer of passenger cars. It held **21% of the total market share** in production of passenger cars and 17% share of the total commercial vehicle registrations². The automotive sector in the EU provides jobs to **13.8 million people**, accounting for **6.1% of total EU employment**. 2.6 million people work in direct manufacturing of motor vehicles, representing 8.5% of EU employment in manufacturing. It is amongst the **world's top producers of motor vehicles** and is also the **largest private investor in research and development (R&D)**³.



EU also has an established expertise in the area of **green technology** and can offer **knowledge exchange opportunities** in this area, especially to India where green technology is still in the developing stage.

1. India Brand Equity Foundation
2. European Automobiles Manufacturers Association
3. European Commission, Internal Market, Industry, Entrepreneurship and SMEs.



Local Partner



Implementing Partner



Implementing Partner



SKILLED MOBILITY

The potential for migration benefits in this sector for India and the EU are immense. EU manufacturers have about **6% of the total market** share but EU countries are the largest market for the Indian auto component industry, accounting for **34% of total exports from India**. Some of the highest selling EU brands in India include **Renault, Volkswagen, Skoda, Fiat, Mercedes, Bayerische Motoren Werke AG (BMW)**. Most of these have also established manufacturing or assembling plants in the country, with productivity increasing at a high rate. For instance, **Mercedes Benz** raised its manufacturing capacity to 20,000 units per year, the highest for any luxury car manufacturing in India by **opening its manufacturing plant in Chakan, Pune, in 2015**.

Many automotive companies have also established **global research and development centres** in India. Located in Pune and Bangalore, these also benefit from local IT resources in which India is strong.



"We recognise the benefits of talent mobility and to achieve that we encourage the best talent of the organisation to participate in international projects and up-skill through cross learning".

- Piaggio Group, Italy

With India expected to emerge as the world's third-largest passenger vehicle market by 2021, the automobile sector in India continues to attract foreign companies. Catering to the market, meeting EU standards and global strategy is achieved through the **mobility of skilled EU citizens to India in this sector**. This is a growing sector for India and EU and expectedly more mobility will be associated with it. This is highlighted in the **India-EU Common Agenda on Migration and Mobility** which aims to better organise **regular migration** and explore possibilities for **attracting highly skilled workers** like scientists, technologists, IT specialists and managers. India-EU CAMM also focuses on enhanced mobility of businesspeople, mobility and exchange of students and researchers, as well as other bonafide travellers, in a safe and secure environment, through efficient grant of visas.

Building on the lessons of existing operational initiatives and based on the emerging trends in the world economy, the **Seminar on Talent Mobility** under the **India-EU CAMM** was an opportunity to reflect upon good practices and initiatives addressing talent mobility in the automotive sector through the experiences of industry practitioners.

KEY INSIGHTS

- **Family reunification and the lack of opportunities for spouses** are two major issues for the sector. Even when there are personal career opportunities, mobility is often restricted because of restrictions on spouses working in two income households.
- The EU **will require a workforce of close to 20 million** by 2025 which can be a **huge opportunity for India's talent**.
- **Research and development** can help in bridging the **knowledge management gaps**. For example: India is in the learning curve in the domain of green technologies while the EU has already established expertise in that area.
- **As a country with a large number of people seeking employment in the automotive sector**, India needs to build centres for demand aggregation and supply facilitation in four major auto activity zones: North Zone (Gurugram, Manesar, and National Capital Region), South Zone (Chennai, Bengaluru, Dharwad), West Zone 1 (Mumbai, Pune, Thane) and West Zone 2 (Ahmedabad and Baroda).
- The **advancement in technology** will necessitate **equipping fresh talent pools with new skill sets** and preparation for a different set of higher end jobs. This will require **vocational training** to meet the supply demand chain's requirements.
- Migration is one of the most efficient ways to introduce **knowledge transfer** within organisations. Cultural diversity can offer **better means of communication** and **enhanced working approaches** while encouraging **informal learning**.



RECOMMENDATIONS FOR THE FUTURE

POLICY ENVIRONMENT AND CHANGE

- **Facilitation of spousal employment** is important for easing of migration and mobility.
- With the growing recognition of gender equality in the workplaces of the future, it is important to **encourage mobility of women expatriates** as well.
- **Development of a common strategy** through diplomatic level engagement and skill building for the talent in the country to effectively capitalise on market demand.
- **Bridging of gaps in skill sets** can be accomplished through the creation of skill development centres for demand aggregation and supply facilitation in four major auto activity zones in India.
- **Better stakeholder coordination** to absorb the knowledge gaps will remain key to boosting overall productivity of the sector.
- Ensuring that demographic debutants are ready to adapt to new technology and knowledge is necessary in order to facilitate their transition. This requires **coordination of stakeholders** and **knowledge exchange**.



VISA PROCESSES

Facilitating **faster work permits**, which used to require 2-3 months and has now gone up to 5 months, would incentivise mobility.

